

**Before the  
Federal Communications Commission  
Washington, DC**

In the Matter of:	)	
	)	
Request for Review of the Decision of the	)	
Universal Service Administrator by	)	CC Docket No. 02-6
	)	
Edison School Consortium	)	SLD File No: 765837
BEN 232670	)	
	)	
Schools and Libraries Universal Service	)	
Support Mechanism	)	

**REQUEST FOR REVIEW OR WAIVER**

**INTRODUCTION**

Section 54.719(c) of the Commission's rules provides that any person aggrieved by an action taken by a division of the Universal Service Administrative Company ("USAC") may seek review from the Commission. EdisonLearning Consortium hereby petitions the Commission to review the current action taken by USAC in the following case.

**BACKGROUND**

The Main Street Academy ("Main Street"), entity #16060208, a public K-8 elementary school located in Fulton County and a member of EdisonLearning consortia, was included on EdisonLearning's Forms 471 #765826 and 765837 as a new site for Funding Year 2010. This site is located in the Atlanta Public Schools ("APS") district area and serves the student populations of the Tri-City of Atlanta. As such, EdisonLearning applied the guidance from the FCC Form 471 instructions for the calculation of a new school construction, and used the APS discount percentage for this entity.

On April 25, 2010, EdisonLearning received a Program Integrity Assurance ("PIA") question requesting EdisonLearning to substantiate their National School Lunch Program ("NSLP") data for Main Street. A copy of the PIA request dated April 25, 2011 and the subsequent response dated May 11, 2011 is included within Exhibit A. EdisonLearning did recognize that the information provided during PIA, from the

Georgia State Department of Education, only supported a district weighted average of 82 percent and did support the corrected discount percentage of 82 percent.

On January 11, 2011 for Funding Year (“FY”) 2010 Funding Request Numbers (“FRNs”) 2070182, 2070187, and 2070203 (From Form 471 #765837), specific to Main Street, USAC reduced the provided discount percentage of 90 percent to 20 percent, resulting in a denial as the FRNs then fell below the funding threshold for FY2010 Priority Two requests, with the following reason: “Per program rules if the new charter school will draw students from outside the (APS) school district, it gets the minimum discount which is 20%. Next year when the school is occupied it will get the discount determined by the enrollment and NSLP count.”

On August 24, 2010, USAC had also reduced Main Street’s discount percentage of 90 percent to 20 percent on Form 471 #765826.

On March 10, 2011, EdisonLearning filed an appeal to the reduction of this school’s discount percentage, which USAC denied, on the basis that the consortium was unable to provide documentation to support the school’s discount percentage, as applied for on the consortium’s Form 471 Applications. This appeal and Administrator’s Decision letter have been attached as Exhibit A.

## **DISCUSSION**

### **A. EdisonLearning Followed FCC Guidance**

EdisonLearning followed the FCC Form 471 instructions, and guidance given from USAC in previous funding years, when they applied the district discount rate to Main Street. The FCC Form 471 Instructions require an applicant to calculate the discount percentage of new sites by using the weighted discount average, from the school district. From the Form 471 instructions: “For “New School Construction” or for an “Administrative Entity” ONLY, enter the Weighted Average Discount for the School District.” In PIA, Edison provided the NSLP data for the Atlanta School District to the SLD which could be validated by the Georgia Department of Education.

However, the supplied information, though within the parameters established in the FCC Form 471 instructions, was considered to not be sufficient to validate a weighted discount of 82 percent for Main Street. The SLD reviewer contested rather, that the “new construction” guidelines do not apply to new charter schools and instead implemented her own guidelines, applying the lowest possible discount

percentage (20 percent). Unfortunately, these guidelines do not exist and cannot be corroborated in any current FCC guidance.

### **B. The 82 Percent Discount Can Be Validated By Current NSLP Data**

The FCC Form 471 instructions state that “[u]sing the percentage in Column 6 and the Discount Matrix...*you should determine the percentage discount to which the school is entitled...* For “New School Construction” or for an “Administrative Entity” ONLY, enter the Weighted Average Discount for the School District. (emphasis added)” The idea, presumably, being that the weighted average of the school district should be an accurate reflection of the new site poverty level and ensuring that the new sites are not penalized for the lack of NSLP data. The FCC is committed to making certain that E-rate stakeholders receive the funds that they are entitled. Using the weighted average of the school district is a measure to insure this.

According to this guidance, Main Street was applied a discount of percentage of 82 percent based on the weighted average of APS. This proved to be an accurate reflection of the needs of the school. Main Street’s NSLP for FY2011, attached below as Exhibit B, demonstrates that the weighted average was accurate and validates EdisonLearning’s claim that Main Street should use at least a discount rate of 80 percent.

Main Street Academy serves the Tri-City of Atlanta community that is lower-income and by no means a 20 percent site, a percentage reserved for only the most affluent communities in the nation. EdisonLearning’s claim, supplemented by the FY2011’s NSLP data, demonstrates that the FCC guidance for determining the discount percentage for new sites works and is an accurate barometer for estimating the needs of a new school. By reducing Main Street to 20 percent, USAC is following neither the letter, nor the spirit, of the FCC guidance. Main Street is being denied funds in which they are entitled, and realistically expected, for FY2010 because of a cavalier interpretation of FCC guidance.

### **C. Alternatively, The Circumstances Warrant a Waiver**

If the Commission concludes that EdisonLearning did in fact accurately and completely prescribe to FCC guidance when applying the weighted district average of 82 percent on the Form 471, then EdisonLearning respectfully requests that the commission waive USAC’s ruling, and reinstate the original 82 percent figure.

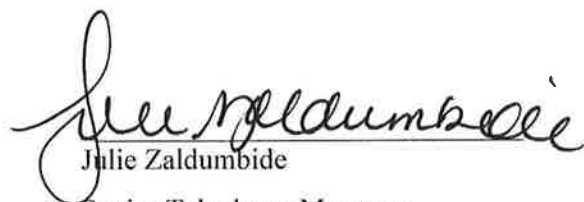
The Main Street Academy strives to provide quality education to an area that that deals with socio-economic and other struggles within the areas public schools. By levying the inaccurate discount rate of

20 percent, Main Street is being dealt a major blow in term of Priority One funding and is completely eliminated from contention for the much needed Priority Two funding.

**SUMMARY**

EdisonLearning followed the only available guidelines for the calculation of this new school. As such, it would contradict the spirit of the E-rate program to reduce this school's discount rate to the lowest possible percentage, when documentation was provided, in accordance with the FCC Form 471 instructions, to demonstrate the high poverty level of this school. Therefore, EdisonLearning hereby requests that the discount rate percentage reductions be reversed and the above referenced FRNs/Form 471 Applications be changed to reflect a discount rate of 82 percent for The Main Street Academy entity 16060208, supported in PIA by EdisonLearning.

Sincerely Submitted,

A handwritten signature in cursive script, appearing to read "Julie Zaldumbide", written over a horizontal line.

Julie Zaldumbide

Senior Telephony Manager

EdisonLearning

485 Lexington Avenue

New York, NY 10017

## **Exhibit A**

March 10, 2011

via e-mail: [appeals@sl.universalservice.org](mailto:appeals@sl.universalservice.org)

Letter of Appeal  
Schools and Libraries Division – Correspondence Unit  
30 Lanidex Plaza West  
PO Box 685  
Parsippany, NJ 07054-0685

### **LETTER OF APPEAL Discount Percentage for a New Charter School**

<b>Applicant:</b>	EdisonLearning
<b>Billed Entity Number:</b>	232670
<b>Forms 471 Application No.:</b>	765826, 765837
<b>Funding Year:</b>	2010
<b>FRN Numbers:</b>	2070162, 2070148, 2070182, 2070203, 2070187

EdisonLearning (“Edison”), by its undersigned representative, hereby appeals the discount rate reduction by the Schools and Libraries Division (“SLD”) of the Universal Service Administrative Company in the above-captioned matter.

#### **ISSUE ON APPEAL:**

- Should the SLD have reduced the discount rate for the above referenced FRNs.

#### **BACKGROUND**

The Main Street Academy, entity #16060208, a public K-8 elementary school located in Fulton County and member of the EdisonLearning consortia, was included on the consortium’s Form 471 Applications as a new site for Funding Year 2010. This site is located in the Atlanta Public Schools district area and serves the citizens of the Tri-City of Atlanta. As such, EdisonLearning applied the guidance from the FCC Form 471 Instructions for the calculation of a new school construction, and used the Atlanta Public Schools’ discount percentage for this entity.

On April 25, 2010, Edison received a Program Integrity Assurance (PIA) question requesting Edison to substantiate their National School Lunch Program (NSLP) data for The Main Street Academy. A copy of

the relevant PIA question dated 04/25/2010 and the response is attached as Exhibit A. Edison responded to the PIA question on May 11, 2010.

On January 11, 2011 for FY2010 FRNs 2070182, 2070187, and 2070203 (Form 471 765837), specific to Main Street Academy, USAC reduced the proposed discount percentage of 90 percent to 20 percent, resulting in a denial for falling below the funding threshold for FY2010 Priority 2 requests, with the following reason: "Per program rules if the new charter school will draw students from outside the school district (Atlanta School District), it gets the minimum discount which is 20%... Next year when the school is occupied it will get the discount determined by the enrolment and NSLP count. Your response was also reviewed by our Procedures team and The Main Street Academy was deemed eligible for the minimum discount, not the shared discount."

On August 24, 2010, USAC had also reduced The Main Street Academy's discount percentage of 90 percent to 20 percent, on Form 471 765826.

#### **DISCUSSION**

EdisonLearning followed the FCC Form 471 instructions and guidance given from USAC in previous Funding Years, when applying the district discount rate to The Main Street Academy. EdisonLearning does recognize, however, that the information provided during PIA, from the Georgia State Department of Education, only supported a district weighted average of 82 percent. The FCC Form 471 Instructions require an applicant to calculate the discount percentage of new sites by using the weighted discount average, from the school district. From the Form 471 instructions: "For "New School Construction" or for an "Administrative Entity" ONLY, enter the Weighted Average Discount for the School District." In PIA, Edison provided the NSLP data for the Atlanta School District to the SLD which could be validated by the Georgia Department of Education.

However, the supplied information, though within the parameters established in the FCC Form 471 instructions, was considered to not be sufficient to validate a weighted discount of 82 percent for The Main Street Academy. The SLD reviewer contested rather, that the "new construction" guidelines do not apply to new charter schools and instead implemented her own guidelines, applying the lowest possible discount percentage (20%). Unfortunately, these guidelines do not exist and cannot be corroborated in any current FCC guidance.

**SUMMARY**

EdisonLearning followed the only available guidelines for the calculation of this new school. As such, it would contradict the spirit of the E-rate program to reduce this school's discount rate to the lowest possible percentage, when documentation was provided, in accordance with the FCC Form 471 instructions, to demonstrate the high poverty level of this school. Therefore, EdisonLearning hereby requests that the discount rate percentage reductions be reversed and the above referenced FRNs/Form 471 Applications be changed to reflect a discount rate of 82 percent for The Main Street Academy entity 16060208, supported in PIA by EdisonLearning.

Respectfully,

A handwritten signature in black ink, appearing to read "Lauren Heagerty", written in a cursive style.

Lauren Heagerty  
E-rate Specialist-EdisonLearning Consortium

EXHIBIT A



**Schools and Libraries Division**

Date: April 26, 2010

Lauren Haegerty 212-419-1814  
Nick Shipley 405-471-0974  
Edison School Consortium  
Application Number(s): **765826**

**Response Due Date: May 11, 2010**

The Program Integrity Assurance (PIA) team is in the process of reviewing all Funding Year 2010 Form 471 Applications for schools and libraries discounts to ensure that they are in compliance with the rules of the Universal Service program. We are currently in the process of reviewing your Funding Year 2010 Form 471 Application. To complete our review, we need some additional information. The information needed to complete the review is listed below.

**I. Schools**

**I.A Eligibility of Schools**

Based upon review of your FY 2010 Form 471 application and/or the documentation you provided, we were not able to determine the eligibility of the following entities:

1. Capitol High Academy For Boys
2. CICS Rockford (Chicago Illinois)
3. CICS Carver (Chicago Illinois)
4. St. Louis Confluence South City Annex
5. Linear Leadership Academy
6. Intown Academy
7. Main Street Academy

In order to be eligible to receive discounted services, per the rules of this program, schools must meet the statutory definition of an elementary or a secondary school found in the No Child Left Behind Act of 2001 (20 U.S.C. Section 7801 (18) and (38)) and they must not be operating as for-profit businesses, and may not have an endowment exceeding \$50 million. Please provide documentation **from the state department of education** that will verify that the entity meets the definition provided above. For further information please refer to USAC web site- Step1: Eligibility [www.usac.org/sl/applicants/step01/eligibility-requirements.aspx](http://www.usac.org/sl/applicants/step01/eligibility-requirements.aspx).

**I.B Discount Verification**

Based upon review of your FY2010 Form 471 application, we were not able to validate your requested discount percentage for the entities in the table below. You may validate your requested discount percentage by providing the appropriate documentation **dated prior to or on February 19, 2010** (the FY2010 Form 471 window close date) listed in one of the following options.

School	Entity	Discount%
St Louis Confluence	16023631	90
St Louis Confluence Prep Academy	16052868	90
Chicago International Charter School – Altgeld Gardens	16052877	90
Business & Economics Academy of Milwaukee Annex	16053129	80
Capitol Pre-College Academy for Boys	16056633	90
CICS ROCKFORD (CHICAGO ILLINOIS)	16058405	90



CICS CARVER (CHICAGO ILLINOIS)	16058409	90
ST LOUIS CONFLUENCE SOUTH CITY ANNEX	16058540	90
INTOWN ACADEMY	16060014	90
MAIN STREET ACADEMY	16060208	90

**Option 1.** If the school participates in a National School Lunch Program (NSLP), please provide a signed copy (preferably by the Principal, Vice-Principal, Superintendent or chief school official, or Director of Food Services) of a Reimbursement Claim Form that the school sends to the state each month. Make sure that the following 3 items are identified:

- a. The Entity name
- b. The total number of students enrolled at the entity
- c. The total number of students eligible for Free/Reduced Lunch Program for the entity

**If the school district fills out an aggregate claim form for the school district,** also provide a signed letter from a school official (preferably the Superintendent or chief school official) that lists the enrollment and Free/Reduced information for each school in the district. The enrollment and Free/Reduced information provided in your letter should match the claim form.

**Option 2.** If the discount percentage was determined by information obtained from an income survey/application (National School (Free & Reduced) Lunch Application forms cannot be used as survey instruments), please provide the following information in writing on school letterhead signed by a school official (such as the Principal, Vice Principal, Superintendent or Director of Food Services):

- a. Total number of students enrolled
- b. Total number of surveys/applications sent out
- c. Number of surveys/applications returned
- d. Total number of students qualified for NSLP per the returned surveys/applications
- e. Are the surveys/applications and results kept on file.

Provide a sample copy of a FILLED OUT SURVEY/APPLICATION with the child's personal information crossed out for confidentiality. **Be advised that in order for a survey to be acceptable it must contain the name of the family and students, the size of the family and the income level of the family.**

**A signed certification that reads:** "I certify that only those students who meet the Income Eligibility Guidelines of the National School Lunch Program have been included in Column 5 of Item 9a, of Block 4 of the Form 471."

**Option 3 (non-public schools):** If the discount percentage was determined by information obtained from a financial aid form, please provide the following information in writing on school letterhead signed by a school official (such as the Principal, Vice Principal, Superintendent or chief school official)

- a. Total number of students enrolled.
- b. A statement that confirms that "all students have access to financial aid forms".
- c. A statement that confirms that financial aid applicants are required to submit Federal Tax forms to document family income.
- d. A statement that confirms the number of students who meet the NSLP Income Guidelines.

- e. A statement that confirms the number and percentage of eligible students that supports the requested E-Rate discount level.
- f. A statement that confirms the school keeps all completed financial applications on file.

The school must submit one completed financial aid application, with personal information blackened out. The financial aid application must have been completed within two years of the of the fund year window close.

**A signed certification that reads:** "I certify that only those students who meet the Income Eligibility Guidelines of the National School Lunch Program have been included in Column 5 of Item 9a, of Block 4 of the Form 471."

**Option 4:** Provide a letter from your State Department of Education (on letterhead and signed) verifying the enrollment and the free and reduced figures are accurate.

**Option 5:** Provide a letter from the State Food/ Nutrition Service Authority officials (on letterhead and signed) verifying the enrollment and the free and reduced figures are accurate.

**Option 6:** If the discount was determined using a different method than what was identified above, please specify the survey method that was used and provide all relevant data.

#### **I.C Capitol High Academy For Boys**

Is **Capitol High Academy For Boys** a Juvenile Justice Facility? \_\_\_Yes \_\_\_No

Does **Capitol High Academy For Boys** include residential facilities? \_\_\_Yes \_\_\_No

If no, proceed to the next section.

If yes please provide the following additional information about these entities:

1. Describe and detail what portion of the service is provided to dormitories, residences within the residential facilities, or home based facilities.
2. Please provide a dollar cost allocation or percentage of total cost for services that are provided to dormitory, residence rooms, or home based facilities for each FRN.
3. Confirm that the balances of the services are being provided to facilities of instruction or classrooms.
4. Please provide substantiating documentation supporting your statements.

Your response must include signature and title; or if responding via email, name and title.

For further information regarding Pre-K, Head Start facilities, please refer to the USAC website at: <http://www.usac.org/sl/applicants/step01/non-traditional-K-12/>.

#### **II. FRN 2070082 - AT&T Mobility (\$528.74/month)**

Please provide supporting documentation such as a bill or quote to support \$528.74/month requested on FRN 2070082. This document must be dated on or before February 19, 2010.

#### **III. FRN 2070084 - AT&T Mobility (\$255.04/month)**

Please provide supporting documentation such as a bill or quote to support \$255.04/month requested on FRN 2070082. This document must be dated on or before February 19, 2010.

**V. FRN 2070112 – Nextel South (\$1,310.46/month)**

Please provide supporting documentation such as a bill or quote to support \$1,310.46/month requested on FRN 2070112. This document must be dated on or before February 19, 2010.

**VI. FRN 2070115 – Nextel South (\$531.58/month)**

Please provide supporting documentation such as a bill or quote to support \$531.58/month requested on FRN 2070115. This document must be dated on or before February 19, 2010.

**VII. FRN 2070132 – Verizon New York Inc (\$10,36.99/month)**

Please provide supporting documentation such as a bill or quote to support \$1,036.99/month requested on FRN 2070132. This document must be dated on or before February 19, 2010.

**VIII. FRN 2070137 – Verizon Wireless (\$368.56/month)**

Please provide supporting documentation such as a bill or quote to support \$368.56/month requested on FRN 2070137. This document must be dated on or before February 19, 2010.

**IX. FRN 2070142 – Open Text Inc (\$10,867.08/month)**

Please provide supporting documentation such as a quote or contract to support \$10,867.08/month requested on FRN 2070142 for e-mail service. This document must be dated on or before February 19, 2010.

**X. FRN 2070149 – AT&T Corp (\$768.87/month)**

Please provide supporting documentation such as a quote or contract to support \$768.87/month requested on FRN 2070149. The Item 21 did not state the number of lines nor the requested funding amount. This document must **be dated on or before February 19, 2010.**

**XI. FRN 2070167 – XO Communications Inc (\$101,018.50/month)**

The online Item 21 states the WAN service includes leased and management of routers.

Are the routers located at the school(s) premises? \_\_\_Yes \_\_\_No

If no, please explain "leased routers".

If yes, please **provide the complete make and model#** of all leased routers \_\_\_\_\_ and answers the questions below. Please provide supporting documentation, such as a quote or contract, as indicated below.

Based on the documentation provided, it appears that FRN 2070167 includes charges associated with the following on-premise equipment: \_\_\_\_\_ **<list on-premise equipment>.**

The FCC has indicated that equipment at the applicant site is presumed to be Internal Connections, but that this presumption can be overcome in certain circumstances. In order for us to evaluate your request, please provide the following information. You may consult with your service provider for assistance, if desired.

Please provide a YES/NO response to the following questions, and include your signature and title; or if responding via email, name and title.

1. Is the leased on-premise equipment an integral component of a Telecommunications or Internet Access service? \_\_\_\_ Yes \_\_\_\_ No
2. Will the leased on-premise equipment be provided by the same service provider that provides the associated Telecommunications Service or Internet Access service? \_\_\_\_ Yes \_\_\_\_ No
3. Does responsibility for maintaining the equipment rest with the service provider? \_\_\_\_ Yes \_\_\_\_ No
4. Will ownership of the equipment transfer to the school or library in the future? \_\_\_\_ Yes \_\_\_\_ No
5. Does the relevant contract or lease include an option for the applicant to purchase the equipment? \_\_\_\_ Yes \_\_\_\_ No
- 5a. If Yes, do you intend to exercise this option. Yes \_\_\_\_ No \_\_\_\_.
6. Will the leased equipment be used at the applicant site for any purpose other than receipt of the eligible Telecommunications Services or Internet Access of which it is a part? \_\_\_\_ Yes \_\_\_\_ No
7. Will the school's or library's internal communication systems (e.g., LAN, video, phone, or other communication system) continue to work if the component is disconnected? \_\_\_\_ Yes \_\_\_\_ No.
8. Are there any contractual, technical, or other limitations that would prevent the service provider from using its network equipment, in part, for other customers? \_\_\_\_ Yes \_\_\_\_ No

Please provide the following cost breakdown and vendor documentation supporting the cost breakdown:

1. **Please provide the full make and model of the on-premise equipment identified above.**  
This information is necessary to determine the eligibility of the on-premise equipment. Note: if the listed FRN does not contain the actual service charges with which the on-premise equipment is part, please state the relevant Form 471 and FRN number.
2. Please provide documentation identifying your recurring and non-recurring initial capital charges for equipment (cost associated with the on-premise equipment and related installation) located at the applicant site. Although no one-time charge was listed in the Form 471, monthly charges may include the initial cost of the router and its installation. **These charges must be identified.**
  - Initial capital charges include one-time initial charges, **plus any recurring charges in the initial year** to defray service provider costs for equipment and its related installation.
  - **Note:** An applicant cannot avoid requirements regarding upfront charges by merely spreading what would otherwise be a one-time charge over multiple recurring payments in a single funding year. USAC will compare monthly charges during the first year of a contract with monthly charges in subsequent years when making this evaluation.
3. Please identify any maintenance cost in this FRN related to the on-premise equipment.

Please fax or email the requested information to my attention. If you have any questions or you do not understand what we are requesting, please feel free to contact me.

It is important that we receive all of the information requested **within 15 calendar days** so we can complete our review. **Failure to respond may result in a reduction or denial of funding. If you need additional time to prepare your response, please let me know as soon as possible.**

Should you wish to cancel your Form 471 application(s), or any of your individual funding requests, please clearly indicate in your response that it is your intention to cancel an application or funding

request(s). Include in any cancellation request the Form 471 application number(s) and/or funding request number(s), and the complete name, title and signature of the authorized individual.

Thank you for your cooperation and continued support of the Universal Service Program.

Marilyn Brown  
Program Integrity Assurance  
USAC, Schools and Libraries Division  
Solix Inc.  
30 Lanidex Plaza West  
Parsippany, NJ 07054-2717  
Phone: 973-581-5079  
FAX: 973-599-6513 Attn Marilyn Brown  
[mbrown@sl.universalservice.org](mailto:mbrown@sl.universalservice.org)

**Item 2****I.B Discount Verification**

Based upon review of your FY2010 Form 471 application, we were not able to validate your requested discount percentage for the entities in the table below. You may validate your requested discount percentage by providing the appropriate documentation dated prior to or on February 19, 2010 (the FY2010 Form 471 window close date) listed in one of the following options.

School	Entity	Discount%
St Louis Confluence	16023631	90
St Louis Confluence Prep Academy	16052868	90
Chicago International Charter School – Altgeld Gardens	16052877	90
Business & Economics Academy of Milwaukee Annex	16053129	80
Capitol Pre-College Academy for Boys	16056633	90
CICS ROCKFORD (CHICAGO ILLINOIS)	16058405	90
CICS CARVER (CHICAGO ILLINOIS)	16058409	90
ST LOUIS CONFLUENCE SOUTH CITY ANNEX	16058540	90
INTOWN ACADEMY	16060014	90
MAIN STREET ACADEMY	16060208	90

Option 1. If the school participates in a National School Lunch Program (NSLP), please provide a signed copy (preferably by the Principal, Vice-Principal, Superintendent or chief school official, or Director of Food Services) of a Reimbursement Claim Form that the school sends to the state each month. Make sure that the following 3 items are identified:

The Entity name

The total number of students enrolled at the entity

The total number of students eligible for Free/Reduced Lunch Program for the entity

If the school district fills out an aggregate claim form for the school district, also provide a signed letter from a school official (preferably the Superintendent or chief school official) that lists the enrollment and Free/Reduced information for each school in the district. The enrollment and Free/Reduced information provided in your letter should match the claim form.

Option 2. If the discount percentage was determined by information obtained from an income survey/application (National School (Free & Reduced) Lunch Application forms cannot be used as survey instruments), please provide the following information in writing on school letterhead signed by a school official (such as the Principal, Vice Principal, Superintendent or Director of Food Services):

Total number of students enrolled

Total number of surveys/applications sent out

Number of surveys/applications returned

Total number of students qualified for NSLP per the returned surveys/applications

Are the surveys/applications and results kept on file.

**Item 2 continued**

Provide a sample copy of a FILLED OUT SURVEY/APPLICATION with the child's personal information crossed out for confidentiality. Be advised that in order for a survey to be acceptable it must contain the name of the family and students, the size of the family and the income level of the family.

A signed certification that reads: "I certify that only those students who meet the Income Eligibility Guidelines of the National School Lunch Program have been included in Column 5 of Item 9a, of Block 4 of the Form 471."

Option 3 (non-public schools): If the discount percentage was determined by information obtained from a financial aid form, please provide the following information in writing on school letterhead signed by a school official (such as the Principal, Vice Principal, Superintendent or chief school official)

Total number of students enrolled.

A statement that confirms that "all students have access to financial aid forms".

A statement that confirms that financial aid applicants are required to submit Federal Tax forms to document family income.

A statement that confirms the number of students who meet the NSLP Income Guidelines.

A statement that confirms the number and percentage of eligible students that supports the requested E-Rate discount level.

A statement that confirms the school keeps all completed financial applications on file.

The school must submit one completed financial aid application, with personal information blackened out. The financial aid application must have been completed within two years of the of the fund year window close.

A signed certification that reads: "I certify that only those students who meet the Income Eligibility Guidelines of the National School Lunch Program have been included in Column 5 of Item 9a, of Block 4 of the Form 471."

Option 4: Provide a letter from your State Department of Education (on letterhead and signed) verifying the enrollment and the free and reduced figures are accurate.

Option 5: Provide a letter from the State Food/ Nutrition Service Authority officials (on letterhead and signed) verifying the enrollment and the free and reduced figures are accurate.

Option 6: If the discount was determined using a different method than what was identified above, please specify the survey method that was used and provide all relevant data.

**Item 2 Response**

Please find the attached signed letters from St. Louis Confluence, St. Louis Confluence Prep Academy, CICS Altgeld Gardens and Capitol High Academy for Boys.

The Business & Economics Academy of Milwaukee Annex and St. Louis Confluence Annex, as annexes and per USAC guidelines, used the discount percentages of the host sites to determine their reported discount percentages.

Intown and Main Street Academy, as well as CICS Rockford and CICS Carver, are new sites and per USAC guidelines, used the discount percentages of the of the accompanying school districts, Atlanta, Georgia and CICS, respectively, to determine their discount percentages.





**Universal Service Administrative Company**  
Schools & Libraries Division

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**Administrator's Decision on Appeal – Funding Year 2010-2011**

May 19, 2011

Lauren Heagerty  
Edison School Consortium  
485 Lexington Avenue, 2nd Floor  
New York, NY 10017

Re: Applicant Name: Edison School Consortium  
Billed Entity Number: 232670  
Form 471 Application Number: 765837  
Funding Request Number(s): 2070182, 2070187, 2070203  
Your Correspondence Dated: March 10, 2011

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2010 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision to the Federal Communications Commission (FCC). If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 2070182, 2070187, 2070203  
Decision on Appeal: **Denied**  
Explanation:

- You indicated on your FCC Form 471 that your discount eligibility is 90% based upon an NSLP Claims Form. USAC's review of your application determined that your discount eligibility percentage was not supported by the NSLP Claims Form, as it was dated after the close of the funding window. USAC modified your discount percentage based on the documentation provided. Since you did not demonstrate in your appeal that the adjustment USAC made to your discount percentage was incorrect, USAC denies your appeal.
- FCC rules provide that the discount available to an applicant is determined by indicators of poverty and high cost. *See* 47 C.F.R. sec. 54.505(b). The level of poverty is measured by the percentage of students enrolled in a school or school district that are eligible for a free or reduced price lunch under the National

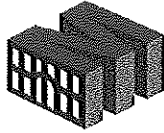
School Lunch Program (NSLP), or a federally-approved alternative mechanism. Alternatively, the level of poverty is measured according to participation in Medicaid, Food Stamps, Supplementary Security Income (SSI), Federal Public Housing Assistance or Section 8, or Low Income Home Energy Assistance Program (LIHEAP). *See* Federal-State Joint Board on Universal Service, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 9045, FCC 97-157 para. 510, n.1334 (rel. May 8, 1997). The high cost determination is made pursuant to FCC rules that classify a school or library as rural or urban. *See* 47 C.F.R. sec. 54.505(b)(3). An applicant's discount rate is determined by reference to a matrix based upon the level of poverty and whether the entity is classified as rural or urban. *See* 47 C.F.R. sec. 54.505(c).

If your appeal has been approved, but funding has been reduced or denied, you may appeal these decisions to either USAC or the FCC. For appeals that have been denied in full, partially approved, dismissed, or canceled, you may file an appeal with the FCC. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be received or postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division  
Universal Service Administrative Company

**Exhibit B**



THE  
**main street**  
ACADEMY

3709 Washington Street  
College Park, GA 30337

404-768-9219 Ext. 1124  
[www.tricitiescharter.com](http://www.tricitiescharter.com)

March 1, 2011

To Whom It May Concern,

As of March 1, 2011, **The Main Street Academy** has a total enrollment of 563, with 314 students eligible for free or reduced lunch under the National School Lunch Program.

Raine Hackler  
Principal